Carl E. Kingston
ATTORNEY AT LAW

53 WEST ANGELO AVENUE
P.O. BOX 15809
SALT LAKE CITY, UTAH 84115
TELEPHONE (801) 486-1458 OR (801) 486-5048

AUG 2 3 1991
DIVISION OF OIL GAS & MINING

August 21, 1991

Jeffrey W. Appel, Esq. Tenth Floor Walker Center 175 South Main Street Salt Lake City, Utah 84111-1956

Re: Source Monitoring Program for Big Bear and Birch Springs

Dear Mr. Appel:

In response to your letter dated August 14, 1991, please be advised that Co-op has been conducting water quality and quantity measurements monthly, at its expense, from Big Bear and Birch Springs, as required by the Division of Oil, Gas & Mining. Mr. Mel Coonrod, who is an independent third party, has been collecting the samples and forwarding them for testing. If you or your clients would be so kind as to provide Co-op or Mr. Coonrod with keys to the lock boxes, we would be happy to collect the samples from inside the lock boxes as you suggest. Without access, which only your clients can provide, it is somewhat difficult to meet your request.

Your "alarm" at the "unsatisfactory water sample of Birch Spring on August 1, 1991" is noted. Perhaps the coincident flash flood in the area had some impact on the spring. Incidentally, it appears that all other water sources in the area, including other springs and the creeks, experienced the same "odd fluctuations" as your clients' springs when the heavy rains came. These fluctuations are indeed "odd" under your theory of impact, when you consider that Co-op's mining activity over the last several months has been well away from any underground water recharge or accumulation area, where the mining activity has been constant and unchanging, and where no underground water sources have been encountered, altered, or changed in any way.

In the meantime, Co-op is pursuing the underground drilling program mandated by DOGM, in order to determine what effect, if any, its mining activity may have on the water resources in the area.

Very truly yours,

Carl E. Kingston

CEK/kj

cc: Dianne Neilson